

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION, OWENSBORO, KENTUCKY)	
FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY)	2012-00263
AUTHORIZING IT TO BID ON A FRANCHISE)	
ESTABLISHED BY THE CITY OF)	
MUNFORDVILLE, KENTUCKY)	

O R D E R

On June 21, 2012, Atmos Energy Corporation (“Atmos”) filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for natural gas offered by the city of Munfordville, Kentucky (“Munfordville”). Atmos simultaneously moved for the entry of a nunc pro tunc order, based upon the fact that Atmos had already submitted its bid to Munfordville on June 4, 2012, was the only bidder and its bid was accepted on June 4, 2012. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Public Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

Atmos states that as a result of a miscommunication among Atmos’ personnel, Atmos failed to file an application with the Commission for authority to bid on this franchise prior to doing so. In support of its Motion, Atmos states that it owns the existing natural gas franchise agreement with Munfordville, which franchise will expire

August 2, 2012. Atmos further states that it has approximately 65 franchise agreements with cities throughout its service area which expire at various times throughout any given year. Its failure to file for Commission approval to bid on this franchise in advance of doing so is an isolated event and Atmos admits its error and apologizes to the Commission.

Based upon Munfordville's ordinance creating a natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for natural gas service in the above-mentioned city. In light of Atmos' explanation for failing to obtain Commission approval in advance of bidding on the franchise, the Commission finds that a nunc pro tunc order is appropriate in this matter. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

1. Atmos is granted a Certificate of Public Convenience and Necessity, nunc pro tunc, that authorizes it to bid on a franchise for natural gas service offered by the city of Munfordville, Kentucky.
2. Atmos, as the successful bidder, shall file two copies of the franchise agreement with the Commission's tariff branch.
3. This Order shall not be construed as granting a Certificate of Public Convenience and Necessity to construct utility facilities in said city.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED 
JUL 11 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00263

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